

# 3 Celebrity Credit Card Mistakes You Should Do Your Best to Avoid

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This post may contain references to products from our partners. We may receive compensation when you click on links to those products. For an explanation of how we make money, please [visit this page](#). Admit it: You often look in awe at celebrities. And who could blame you? The work they do, the lives they live – it's all so glamorous!

But the truth is that some celebrities are making big credit card mistakes, mistakes you should do your best to avoid. For a few examples, take a look at the details below. You might not be surprised at what you find.

### Getting into way too much debt: Stephen Baldwin

Famous actors make a lot of money, so most people assume they're able to pay their credit card bills without a problem. As it turns out, that's not always the case.

In 2009, actor Stephen Baldwin [filed for bankruptcy](#) in New York. In addition to being deep in debt on two mortgages and back taxes, court documents also show that this Baldwin ;brother owed more than \$70,000 on credit cards. This goes to show that no matter how much you're earning, spending too much will always catch up with you.

To avoid this fate, keep these tips in mind:

- Make a budget for your monthly spending and stick to it
- Track your spending
- Set up text or email balance alerts so you know where you stand
- If you start overspending, put the card away and switch to cash
- Always pay your bills on time

### Your credit card falling into the wrong hands: Seth Myers and Amy Poehler

In May 2014, former "Saturday Night Live" co-stars Seth Myers and Amy Poehler went out to dinner together. At the end of the evening, after they had split the bill, Poehler accidentally (we think) walked out of the restaurant with Myers' credit card.

The incident turned into a series of jokes on Myers' late night talk show, and Poehler eventually returned the card — after [using it](#) to make a \$5,000 donation to a charity. Luckily, this incident happened between friends. But if your [credit card falls into the wrong hands](#), you shouldn't imitate Myers' cavalier attitude. Instead, be sure to:

- Report the card missing to your issuer as soon as you notice it's gone
- Review your account activity online and alert your issuer to fraudulent charges (remember, federal law limits your liability for fraudulent charges to \$50, and most issuers won't even make you pay that)
- Make sure that your issuer cancels your card and sends you a new one in the mail right away
- Keep a watch on your account for a few weeks following the incident to be sure that no additional sketchy charges are made and that all others are reversed

### Maxing out your card: Possibly Lindsay Lohan

Even celebrities have embarrassing money moments, and actress Lindsay Lohan got hit with a doozy in August 2014. She attempted to pay a \$2,500 bar tab at a swanky nightclub in New York City with her credit card, only to have it [declined](#).

The reason she was unable to use her credit card isn't clear, but one possibility is that she maxed out. If this is the case, she should worry about her credit score. Maxing out a credit card will damage the 30% of her score determined by "amounts owed." Plus, if the bill isn't paid in full by its due date, she'll also be facing some hefty interest charges.

To avoid maxing out your card (and the humiliation of having it declined), follow these tips:

- Make a budget for your monthly spending and stick to it (sounds familiar, right?)
- Track your spending carefully throughout the month
- If at any point you're using more than [30% of your available credit](#), make a payment
- If you can't make a payment, switch to another card
- Keep a close watch on how much is coming into your checking account and how much is going out; don't charge more to your card than you can afford to pay off in one month

**The takeaway:** It turns out that we can learn a lot from celebrity credit card mistakes. Be sure to avoid their missteps by following the Nerds' tips.

[Celebrity credit card image](#) via Shutterstock.